

PRESIDENTIAL PERMIT

AUTHORIZING NUSTAR LOGISTICS, L.P. TO OPERATE AND MAINTAIN EXISTING PIPELINE FACILITIES AT THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND MEXICO

By virtue of the authority vested in me as Acting Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, including those authorities under Executive Order 13337, 69 Fed. Reg. 25299 (2004), Department of State Delegation of Authority 118-2 of January 26, 2006, and Department of State Delegation of Authority 415 of January 18, 2017; having considered the environmental effects of the proposed action consistent with the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), Section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), and other statutes relating to environmental concerns; having considered the proposed action consistent with the National Historic Preservation Act of 1966 (80 Stat. 917, 16 U.S.C. 470f et seq.); and having requested and received the views of members of the public, various federal and state agencies, and various Indian tribes; I hereby grant permission, subject to the conditions herein set forth, to NuStar Logistics, L.P., formerly known as Valero Logistics Operations, L.P. (hereinafter referred to as the "permittee"), a limited partnership formed under the laws of the state of Delaware, with its principal place of business in San Antonio, Texas, to operate and maintain existing pipeline facilities at the border of the United States and Mexico for the transport of refined petroleum products, to include liquefied petroleum gas, regular and premium gasoline, kerosene, and diesel between the United States and Mexico.

The term "facilities" as used in this permit means the relevant portion of the pipeline and any land, structures, installations or equipment appurtenant thereto.

The term "United States facilities" as used in this permit means those parts of the facilities located in the United States. The United States facilities consist of an 8-5/8 inch diameter pipeline in existence at the time of this permit's issuance extending from the international border between the United States and Mexico underneath the Rio Grande at a point near Laredo, Texas to the first mainline shutoff valve in the United States located approximately 0.9 miles from the Rio Grande. The United States facilities also include certain appurtenant facilities.

This permit is subject to the following conditions:

Article I. (1) The United States facilities herein described, and all aspects of their operation, shall be subject to all the conditions, provisions, and requirements of this permit and any amendment thereof. This permit may be terminated or amended at any time at the discretion of the Secretary of State or the Secretary's delegate or upon proper application therefor. The permittee shall make no substantial change in the United States facilities, the location of the United States facilities, or in the operation authorized by this permit until such changes have been approved by the Secretary of State or the Secretary's delegate.

(2) The operation and maintenance of the United States facilities shall be in all material respects as described in the permittee's application for a Presidential permit under Executive

Order 13337, filed on December 4, 2013, and the Final Supplemental Environmental Assessment (SEA) dated May 5, 2016, including any construction, mitigation, and reclamation measures, emergency response measures, standard operating procedures, and other mitigation and control plans that are already approved or that are approved in the future by the Department of State or other relevant federal agencies.

Article 2. The standards for, and the manner of, the operation and maintenance of the United States facilities shall be subject to inspection and approval by the representatives of appropriate federal, state and local agencies. The permittee shall allow duly authorized officers and employees of such agencies free and unrestricted access to said facilities in the performance of their official duties.

Article 3. The permittee shall comply with all applicable federal, state, local, and tribal laws and regulations regarding the operation and maintenance of the United States facilities and with all applicable industrial codes. The permittee shall obtain requisite permits from relevant state and local governmental entities, and relevant federal agencies.

Article 4. All operation and maintenance of the United States facilities under this permit shall be subject to the limitations, terms, and conditions issued by any competent agency of the U.S. government. The permittee shall continue the operations hereby authorized and conduct maintenance in accordance with such limitations, terms, and conditions. Such limitations, terms, and conditions could address, for example, environmental protection and mitigation measures, safety requirements, export or import and customs regulations, measurement capabilities and procedures, requirements pertaining to the pipeline's capacity, and other pipeline regulations. This permit shall continue in force and effect only so long as the permittee shall continue the operations hereby authorized in accordance with such limitations, terms, and conditions.

Article 5. Upon the termination, revocation, or surrender of this permit, and unless otherwise agreed by the Secretary of State or the Secretary's delegate, the United States facilities in the immediate vicinity of the international boundary shall be removed by and at the expense of the permittee within such time as the Secretary of State or the Secretary's delegate may specify, and upon failure of the permittee to remove, or to take such other appropriate action with respect to, this portion of the United States facilities as ordered, the Secretary of State or the Secretary's delegate may direct that possession of such facilities be taken and that they be removed or other appropriate action taken, at the expense of the permittee; and the permittee shall have no claim for damages by reason of such possession, removal, or other action.

Article 6. When, in the opinion of the President of the United States, the national security of the United States demands it, due notice being given by the Secretary of State or the Secretary's delegate, the United States shall have the right to enter upon and take possession of any of the United States facilities or parts thereof; to retain possession, management, or control thereof for such length of time as may appear to the President to be necessary; and thereafter to restore possession and control to the permittee. In the event that the United States shall exercise such right, it shall pay to the permittee just and fair compensation for the use of such United States facilities upon the basis of a reasonable profit in normal conditions, and the cost of restoring said facilities to as good condition as existed at the time of entering and taking over the same, less the

reasonable value of any improvements that may have been made by the United States.

Article 7. Any transfer of ownership or control of the United States facilities or any part thereof shall be immediately notified in writing to the Department of State, including the submission of information identifying the transferee. This permit shall remain in force subject to all the conditions, permissions and requirements of this permit and any amendments thereto unless subsequently terminated or amended by the Secretary of State or the Secretary's delegate.

Article 8. (1) The permittee is responsible for acquiring any right-of-way grants or easements, permits, and other authorizations as may become necessary and appropriate.

(2) The permittee shall hold harmless and indemnify the United States from any claimed or adjudged liability arising out of construction, connection, operation, or maintenance of the facilities, including but not limited to environmental contamination from the release or threatened release or discharge of hazardous substances and hazardous waste.

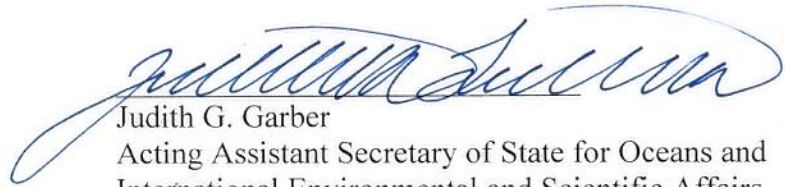
(3) The permittee shall maintain the United States facilities and every part thereof in a condition of good repair for their safe operation, and in compliance with prevailing environmental standards and regulations.

Article 9. The permittee shall take all necessary measures to prevent or mitigate adverse impacts on or disruption of the human environment in connection with the operation and maintenance of the United States facilities. Such measures will include construction, mitigation, and reclamation measures, emergency response measures, standard operating procedures, and other mitigation and control plans identified or described in the Final SEA, all of which are appended to and made part of this permit, or that are approved in the future by the Department of State or other relevant federal or state agencies, as well as any other measures deemed prudent by the permittee.

Article 10. The permittee shall file with the appropriate agencies of the U.S. government such statements or reports under oath with respect to the United States facilities, and/or permittee's activities and operations in connection therewith, as are now, or may hereafter, be required under any laws or regulations of the U.S. government or its agencies. The permittee shall file electronic Export Information where required.

Article 11. The permittee shall provide information upon request to the Department of State with regard to the United States facilities. Such requests could include, for example, information concerning current conditions or anticipated changes in ownership or control, construction, connection, operation, or maintenance of the United States facilities.

IN WITNESS WHEREOF, I, Acting Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, have hereunto set my hand this 28th day of June, 2017 in the City of Washington, District of Columbia.



Judith G. Garber
Acting Assistant Secretary of State for Oceans and
International Environmental and Scientific Affairs